

Nihilani at Princeville Resort, Phase II

Second Amended Disclosure Abstract

Date: August 2, 2011

Name and Address of Project: Nihilani at Princeville Resort, Phase II
4919 Pepee Lane Loop
Princeville, Hawaii 96722

Developer: Nihilani Group, LLC
c/o Brookfield Homes Hawaii Inc.
55 Merchant Street, Suite 3000
Honolulu, Hawaii 96813
Phone No.: (808) 676-3300

Real Estate Broker: Island Paradise Properties, LLC
c/o Brookfield Homes Hawaii Inc.
55 Merchant Street, Suite 3000
Honolulu, Hawaii 96813
Phone No.: (808) 356-2066

Managing Agent: RE3, LLC, Real Estate Services
2970 Haleko Road, Suite 103
Lihue, Hawaii 96766
Phone No.: (808) 245-5758

Attorney for Developer: Chun Yoshimoto LLP
737 Bishop Street, Suite 2800
Pacific Guardian Center, Mauka Tower
Honolulu, Hawaii 96813
Phone No.: (808) 528-4200

Monthly Common Expenses and Monthly Estimated Costs for Each Apartment: Exhibit "1B" sets out the estimated monthly common expenses and estimated costs for the year.

AMENDMENT: This Second Amended Disclosure Abstract supersedes and replaces in its entirety the Amended Disclosure Abstract dated October 29, 2010 (which superseded the Disclosure Abstract dated March 15, 2006 that was attached as Exhibit "K" to the Final Public Report for the Project (Registration No. 5705, Effective Date: March 30, 2006, as supplemented by the Second Supplementary Report with an Effective Date of July 26, 2010)). This Second Amended Disclosure Abstract reflects that the current managing agent for the Project is RE3, LLC, Real Estate Services and the current address for the Developer's attorney (listed above). No other changes have been made to the Amended Disclosure Abstract dated October 29, 2010. Note that of the fifty-one (51) Apartments in Phase II of the Project, the Developer currently owns only the three (3) Apartments in Building 12, which Building 12 has not yet been constructed; the forty-eight (48) other Apartments have been conveyed to individual Apartment purchasers. Further, the Developer does not control the Association of Apartment Owners.

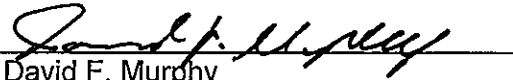
DESCRIPTION OF LIMITED WARRANTIES: Upon the Closing of the purchase of the Apartment, Seller shall issue to Buyer a limited warranty relating to the construction of the Apartment as more particularly set forth in the Limited Warranty Section of the Brookfield Homes Homeowner Manual (the "Homeowner Manual"). The following is a brief summary of the Developer's limited warranty:

The Apartment will be covered under a transferable one (1) year LIMITED WARRANTY (the "Limited Warranty"). The Limited Warranty provides coverage for construction defects that occur during the Warranty Period and includes provisions limiting the responsibility and conditions under which it is valid or applicable. The Limited Warranty gives the Purchaser specific legal rights. Seller's obligations under the Limited Warranty are expressly conditioned on prompt notification by Purchaser of any construction defects as set forth in the Limited Warranty. In addition, the Limited Warranty does not cover certain construction defects that result, either directly or indirectly from certain excluded causes or occurrences as set forth in the Limited Warranty. None of Seller's employees, salesmen or other agents are authorized to make any warranty other than the Limited Warranty, nor can they extend or in any way alter the Limited Warranty.

- (a) Warranty Period. The coverage of the Limited Warranty begins on the date escrow closes, and except for any exceptions expressly stated in the Homeowner Manual, the coverage of the Limited Warranty expires one (1) year from the Date of Closing. Work done to correct warranty items does not extend coverage beyond the one year period.
- (b) Manufacturers' Warranties. Seller will assign and pass through to the Purchaser any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the Apartment, for their unexpired terms, to the extent such warranties exist and to the extent that Seller has the right and power to make such an assignment. Purchaser shall follow the procedure set forth in the manufacturer's warranty if any defects should appear in that item, and any service request should be made directly to the service representative for the manufacturer. Appliances or consumer products are excluded from the Limited Warranty, unless they constitute a construction defect. Seller makes no representation or warranty with respect to the energy consumption of, or efficiency of, any appliance, equipment, or consumer product, or with respect to energy or utility costs.
- (c) Limitations of Warranty and Seller Liability. Except for the Limited Warranty, Seller makes no other warranties, express or implied, and SELLER EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR USE, ANY IMPLIED WARRANTY OF WORKMANSHIP, AND ANY OTHER EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE APARTMENT, OR THE PROJECT. EXCEPT FOR THE OBLIGATIONS OF SELLER SPECIFICALLY SET FORTH IN THE LIMITED WARRANTY, SELLER SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER LEGAL THEORY (REGARDLESS OF WHETHER SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES).
- (d) Claim Procedure. Purchaser will be given three (3) Request for Service forms, one thirty (30) day, one fourth (4th) month and one eleventh (11th) month. Throughout the twelve month warranty period, Purchaser will be limited to only these three Requests for Service forms. If any defect appears which Purchaser believes should be covered by this Limited Warranty, Purchaser shall complete a Request for Service form describing the defect in detail, and mail it to: Service Assurance Department, Brookfield Homes Hawaii Inc., 55 Merchant Street, Suite 3000, Honolulu, Hawaii 96813. Seller will not reimburse Purchaser for any repair or other action taken by Purchaser without Seller's prior written consent.

THE FOREGOING IS A SUMMARY OF SOME OF THE PERTINENT PROVISIONS OF THE LIMITED WARRANTY FOR THE CONVENIENCE OF THE PURCHASER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE TERMS OF THE LIMITED WARRANTY. THE FULL TEXT OF THE ORIGINAL DOCUMENT SHOULD BE EXAMINED AND CONTROLS OVER THE ABOVE SUMMARY.

NIHILANI GROUP, LLC

By 
David F. Murphy
Its Assistant Secretary

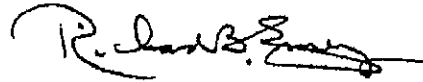
2010 Approved Budget Nihilani

DESCRIPTION	Monthly Budget 2010	Annual Budget 2010
REVENUE		
----- Operating Revenues -----		
401000-000 Maintenance Fees	54356	652272
40130-000 Start Up Fees	0	0
40120-000 Late Fees	0	0
40150-000 Rule Fines	0	0
46100-000 Rental Income	0	0
46200-000 Capital Reserve Contributions	5000	60000
46210-000 Non-Payment Building 12	-1738	-20856
Total Revenues	57618	691416
EXPENSES		
----- Operating Expenses -----		
Payroll & Benefits		
70010-000 Wages for Manager	2500	30000
70060-000 FICA	220	2640
70070-000 FUTA	15	180
70080-000 SUTA	25	300
70090-000 Workers comp/TDI	200	2400
70110-000 Medical Insurance RM	585	7020
70120-000 Housing -RM	2050	24600
Total Payroll & Benefits	5595	67140
Administration		
70300-000 Admin Supplies	65	780
70310-000 Annual Assoc Meeting	37	444
70800-000 Property Mgmt-Contract	2000	24000
70810-000 Property Mgmt-Reimbursable	571	6852
70830-000 Property Mgmt-Payroll	152	1824
70900-000 Legal Fees-General	250	3000
70910-000 Legal Fees-Reimbursable	100	1200
70920-000 Bad Debt Assessment	1450	17400
71100-000 Professional Fees-Other	100	1200
71150-000 Accounting Fees-Audit/Tax	210	2520
71160-000 Other Admin Expenses	100	1200
Total Administration	5035	60420
Utilities & Contract Services		
71200-000 Electricity	1600	19200
71250-000 Gas	1125	13500
71300-000 Water & Sewer	7550	90600
71400-000 Manager phone	85	1020
71410-000 Phone/Internet	100	1200
71600-000 Cable Television-Contract	3172	38064
71700-000 Exterminating (Pest) Contract	666	7992
71800-000 Refuse Removal-Contract	3000	36000
71950-000 Tree Trimming	400	4800
Total Utilities & Contract Services	17698	212376

2010
Approved Budget
Nihilani

DESCRIPTION	Monthly Budget 2010	Annual Budget 2010			
Repairs & Maintenance					
72100-000 Repairs/Maint-Building	250	3000			
72125-000 Repairs/Maint-Pool Service	0	0			
72130-000 Repairs/Maint- Elec	0	0			
72140-000 Repairs/Maint-Grounds	13000	156000			
72150-000 Repairs/Maint-Pool Supplies/Service	350	4200			
72160-000 Repairs/Supplies-Equipment	450	5400			
72170-000 Repairs/Supplies-cleaning	375	4500			
72225-000 Rental Commission Expense					
Total Repairs & Maintenance	14425	173100			
Taxes, Insurance, & General Expenses					
72250-000 Maintenance Fees #13C/21B					
72260-000 Princeville Community Assoc Dues	1600	19200			
72300-000 Maintenance Fees Rental Units	0	0			
72500-000 Taxes-General Excise	90	1080			
72700-000 Insurance-Property/Liability	8100	97200			
72740-000 Insurance-D&O	75	900			
Total Taxes and Insurance Expenses	9865	118380			
Total Operating Expenses	52618	631416			
76080-000 Allowance for Future Expenditures	5000	60000			
76090-000 Capital Expenditures					
Total Non-Operating Expenses	5000	60000			
Total EXPENSES	57618	691416			
NET INCOME	0	0			
	2009	2010	2010	2010	2010
Unit Type	Dues	Maintenance	Reserves	Rounding	Total
Type A (Makani)	\$620.00	\$567.42	\$52.20	0.38	\$620.00
Type B (Moana)	\$465.00	\$425.72	\$39.16	0.12	\$465.00
Type C (Mahina)	\$652.00	\$597.10	\$54.93	-0.03	\$652.00
Type D (Hoku)	\$518.00	\$474.47	\$43.65	-0.12	\$518.00

I, Richard Emery, as agent and employed by Hawaii First Inc., the condominium managing agent for the Nihilani at Princeville Resort condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



Dated: October 29, 2010

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXPLANATION REGARDING RESERVES

A Reserve Study has been prepared for the property by a professional licensed Reserve Specialist/Professional Reserve Analyst. The funding requirements set forth in the Reserve Study are reflected in the Budget.

Exhibit "1B"

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